Rate of Inflation

1278. SHRI SITARAM KESRI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there has been abnormal increase in the prices of essential commodities;

(b) what is the rate of inflation during the last one year, month-wise; and

(c) the reasons for increase in prices and what concrete steps have been taken by Government in this direction?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) No Sir, this year's price rise has been very modest. In fact wholesale prices of 30 essential commodities together as a group were lower in November this year compared to the same month of last year. However, foodgrain prices registered an increase of over 8 per cent in the current fiscal year, but much of this rise was due to the increase in the Minimum Support Prices given to the farmers.

(b) Annual Rates of Inflation (point to point) based on WPI & CPI (IW)

Year	(%) WPI based (base 81-82)	CPI (IW) based (base 1982)
1998-99		
November	8.1	19.7
December	6.3	15.3
January	4.7	9.4
February	5.3	8.6
March	5.0	8.9

Year	(%) WPI based (base 81-82)	CPI (IW) based (base 1982)
1999-2000		
April	4.3	8.4
May	3.8	7.7
June	3.1	5.3
July	2.3	3.2
August	2.2	3.1
September	2.7	2.1
October	2.6 (prov.)	0.9
November	2.8 (prov.)	

(c) Effective supply management policies adopted by the Government arrested the price rise of essential commodities during 1999-2000. Some of the policy initiatives taken by the Government are as follows:

- A High Powered Price Monitoring Board was set up under the Cabinet Secretary to keep a close watch on the movement of prices of essential commodities.
- A Crop Forecasting Centre was set up by the D/O Agriculture & Cooperation for making more authentic crop forecasts.
- A special Price Monitoring Cell was set up in the D/O Consumer Affairs for monitoring retail prices of essential commodities.
- NAFED was authorised to undertake market intervention through creation of short term buffer stocks of onions and pulses to stabilise their prices.
- Edible oil was imported on Government account for supplying to State Governments through the PDS.
- State Governments were advised to take strict action against hoarders of essential commodities.

All these measures helped in easing off the inflationary pressures.